

SENATE, No. 1470

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED FEBRUARY 10, 2022

Sponsored by:

Senator JAMES BEACH

District 6 (Burlington and Camden)

SYNOPSIS

Creates grant program for business accelerator and incubator networks; transfers \$1 million in societal benefits charge revenues to EDA to administer program.

CURRENT VERSION OF TEXT

As introduced.



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1 **AN ACT** establishing a grant program for business accelerator and
2 incubator networks, supplementing P.L.1974, c.80 (C.34:1B-
3 1 et seq.), and amending P.L.1999, c.23.

4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7

8 1. (New section) As used in sections 1 through 4 of
9 P.L. , c. (C.) (pending before the Legislature as this bill):

10 “Advanced computing,” “advanced materials,” “information
11 technology,” and “life sciences” shall have the same meaning as
12 provided in section 2 of P.L.1997, c.349 (C.54:10A-5.29).

13 “Advanced technology center” means programs or departments
14 at the State’s public and private institutions of higher education
15 which are provided financial support from those institutions of
16 higher education to promote innovative technology research and are
17 established pursuant to law, including, but not limited to, P.L.1985,
18 c.102 (C.52:9X-1 et seq.), P.L.1985, c.103 (C.18A:64J-1 et seq.),
19 P.L.1985, c.104 (C.18A:64J-8 et seq.), P.L.1985, c.105 (C.18A:64J-
20 15 et seq.), and P.L.1985, c.106 (C.18A:64J-22 et seq.).

21 “Angel investment” means the non-refundable transfer of cash to
22 an incubator business by an established business that is not a related
23 person of the incubator business, the transfer of which is in
24 connection with either:

25 a. a transaction in exchange for stock, interests in partnerships
26 or joint ventures, exclusive or non-exclusive licenses, rights to use
27 technology, marketing rights, warrants, options, or any items
28 similar to those included herein, including but not limited to options
29 or rights to acquire any of the items included herein; or

30 b. a purchase, production, or research agreement.

31 “Authority” means the New Jersey Economic Development
32 Authority established by section 4 of P.L.1974, c.80 (C.34:1B-4).

33 “Big data” shall have the same meaning as provided in section 1
34 of P.L.2014, c.33 (C.52:17C-3.4).

35 “Biotechnology,” “environmental technology,” “electronic
36 device technology,” and “medical device technology,” shall have
37 the same meaning as provided in section 2 of P.L.1996, c.26
38 (C.34:1B-125).

39 “Business accelerator or incubator” means an individual or
40 network of business development facilities, consisting of the
41 provision of low-cost space and technical assistance, for short-term
42 occupancy, to an incubator business employing selected
43 technologies congruent with the strengths of the State’s public and
44 private institutions of higher education. A “business accelerator or

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 incubator” may include, but not be limited to, an advanced
2 technology center or a technology extension service.

3 “Grant program” means the “Business Accelerator and Incubator
4 Network Grant Program” established pursuant to section 2 of
5 P.L. , c. (C.) (pending before the Legislature as this bill).

6 “Incubator business” means a corporation, partnership, limited
7 liability company, or sole proprietorship that is supported by private
8 sources of capital, including, but limited to, private equity, angel
9 investment, or venture capital that:

10 a. is in the formative stage of development;

11 b. is engaged in the design, development, and introduction of
12 new biotechnology, information technology, re-manufacturing,
13 advanced materials, processing engineering or electronic device
14 technology products, or innovative manufacturing processes; and

15 c. meets any other requirements for an incubator business as
16 the authority shall develop.

17 “Support services” means the provision of publicly or privately-
18 supported, low-cost, short-term occupancy, rental space and
19 technology extension services wherein financial and other types of
20 business or technical assistance is provided to an incubator business
21 by an a business accelerator or incubator.

22 “Technology extension service” means a program to accelerate
23 the application and transfer of technological innovation by the
24 State's public and private institutions of higher education to an
25 incubator business, specifically to work with the State's incubator
26 businesses to adapt these innovations to the requirements of
27 individual business operations.

28

29 2. (New section) a. The authority shall establish and
30 administer the “Business Accelerator and Incubator Network Grant
31 Program” for the purpose of awarding grants to a business
32 accelerator or incubator that provides support to incubator
33 businesses that are located within a business accelerator or
34 incubator in this State.

35 b. Grants may be made to a business accelerator or incubator in
36 an amount as determined by the authority. The grant funds may be
37 applied to:

38 (1) any aspect of the business accelerator or incubator that
39 provides support to incubator businesses in the business accelerator
40 or incubator as determined by the authority; or

41 (2) any aspect of an incubator business operating within the
42 business accelerator or incubator.

43 c. In order to be eligible for a grant, a business accelerator or
44 incubator at the time of application for program eligibility, shall
45 provide proof that it is a business accelerator or incubator providing
46 support to an incubator business that is in one of the following
47 fields:

48 (1) clean energy or environmental technology;

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- 1 (2) life sciences, biotechnology, or medical device technology;
- 2 (3) advanced materials, engineering, or manufacturing;
- 3 (4) supply chain, transportation, and logistics;
- 4 (5) big data, advanced computing, and digital technology;
- 5 (6) defense and homeland security; or
- 6 (7) food and agriculture.

7 d. A business accelerator or incubator and an incubator
8 business seeking to participate in the grant program shall submit an
9 application in a form and manner as the authority shall require. The
10 application shall include information the authority determine is
11 necessary to administer the grant program. An incubator business
12 seeking to participate in the grant program shall submit to the
13 authority documentation from the business accelerator or incubator
14 hosting the incubator business that participation in the grant
15 program will be a contributing factor towards the financial success
16 of the incubator business.

17 e. The authority shall review and may approve an application
18 for the grant program. The authority shall issue payment of the
19 grant amount pursuant to a grant agreement with a business
20 accelerator or incubator or an incubator business as the authority
21 may determine and subject the approval of the agreement to the
22 submission of proof by an approved grant applicant of the
23 expenditures contributing to the success of an incubator business
24 assisted by the business accelerator or incubator. A grantee who
25 fails to comply with a grant agreement made as a condition of a
26 grant award shall repay any grant amount received and, if so
27 determined by the authority, shall pay a penalty not in excess of 10
28 percent of the grant amount.

29

30 3. (New section) a. The authority shall establish and
31 maintain the “Business Accelerator and Incubator Network Grant
32 Program” established pursuant to section 2 of P.L. , c. (C.)
33 (pending before the Legislature as this bill) with monies to be used
34 by the authority for the purposes specified in P.L. , c. (C.)
35 (pending before the Legislature as this bill). Monies to be utilized
36 by the grant program shall include, but not be limited to:

37 (1) societal benefits charge revenues collected by the Board of
38 Public Utilities pursuant to section 12 of P.L.1999, c.23 (C.48:3-
39 60), transferred to the authority pursuant to section 5 of
40 P.L. , c. (C.) (pending before the Legislature as this bill),
41 that the authority determines are necessary in response to the
42 demand for the program, up to \$1,000,000;

43 (2) monies as may be available to the authority from other
44 business development programs administered by the authority or
45 other State agencies or authorities, and which the authority
46 determines to be necessary in light of the volume of applications
47 from business accelerators or incubators and incubator businesses
48 for grants under the grant program as necessary to implement the

1 purposes of P.L. , c. (C.) (pending before the Legislature as
2 this bill); and

3 (3) other monies as may be made available to the authority from
4 public or private sources.

5 b. Monies in the grant program which are not allocated for
6 current responsibilities of the grant program may be invested by the
7 authority in any direct obligations as to which principal and interest
8 are guaranteed by the United States of America or any other
9 obligation deemed appropriate by the authority.

10

11 4. (New section) The authority shall prepare an annual report
12 on the "Business Accelerator and Incubator Network Grant
13 Program," deliver the report to the Governor and, pursuant to
14 section 2 of P.L.1991, c.164 (C.52:14-19.1), to the Legislature, and
15 make the report available on the authority's website. The report
16 shall include the number of program applicants, the number and
17 names of business accelerator or incubators and incubator
18 businesses approved for the grant program, the types of incubator
19 businesses located within business accelerator or incubators in the
20 grant program, the total amount of grants distributed, the amount
21 received per business accelerator or incubator and incubator
22 business, and any other information as the authority determines is
23 necessary to evaluate the progress of the grant program.

24

25 5. (New section) The authority may adopt rules and
26 regulations pursuant to the "Administrative Procedure Act,"
27 P.L.1968, c.410 (C.52:14B-1 et seq.) as may be necessary to
28 effectuate the purposes of P.L. , c. (C.) (pending before the
29 Legislature as this bill).

30

31 6. Section 12 of P.L.1999, c.23 (C.48:3-60) is amended to read
32 as follows:

33 12. a. Simultaneously with the starting date for the
34 implementation of retail choice as determined by the board pursuant
35 to subsection a. of section 5 of P.L.1999, c.23 (C.48:3-53) and
36 consistent with the provisions of P.L. , c. (C.) (pending
37 before the Legislature as this bill), the board shall permit each
38 electric public utility and gas public utility to recover some or all of
39 the following costs through a societal benefits charge that shall be
40 collected as a non-bypassable charge imposed on all electric public
41 utility customers and gas public utility customers, as appropriate:

42 (1) The costs for the social programs for which rate recovery
43 was approved by the board prior to April 30, 1997. For the purpose
44 of establishing initial unbundled rates pursuant to section 4 of
45 P.L.1999, c.23 (C.48:3-52), the societal benefits charge shall be set
46 to recover the same level of social program costs as is being
47 collected in the bundled rates of the electric public utility on the
48 effective date of P.L.1999, c.23 (C.48:3-49 et al.). The board may

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1 subsequently order, pursuant to its rules and regulations, an increase
2 or decrease in the societal benefits charge to reflect changes in the
3 costs to the utility of administering existing social programs.
4 Nothing in P.L.1999, c.23 (C.48:3-49 et al.) shall be construed to
5 abolish or change any social program required by statute or board
6 order or rule or regulation to be provided by an electric public
7 utility. Any such social program shall continue to be provided by
8 the utility until otherwise provided by law, unless the board
9 determines that it is no longer appropriate for the electric public
10 utility to provide the program, or the board chooses to modify the
11 program;

12 (2) Nuclear plant decommissioning costs;

13 (3) The costs of demand side management programs that were
14 approved by the board pursuant to its demand side management
15 regulations prior to April 30, 1997. For the purpose of establishing
16 initial unbundled rates pursuant to section 4 of P.L.1999, c.23
17 (C.48:3-52), the societal benefits charge shall be set to recover the
18 same level of demand side management program costs as is being
19 collected in the bundled rates of the electric public utility on the
20 effective date of P.L.1999, c.23 (C.48:3-49 et al.). Within four
21 months of the effective date of P.L.1999, c.23 (C.48:3-49 et al.),
22 and every four years thereafter, the board shall initiate a proceeding
23 and cause to be undertaken a comprehensive resource analysis of
24 energy programs, and within eight months of initiating such
25 proceeding and after notice, provision of the opportunity for public
26 comment, and public hearing, the board, in consultation with the
27 Department of Environmental Protection, shall determine the
28 appropriate level of funding for energy efficiency , plug-in electric
29 vehicles and plug-in electric vehicle charging infrastructure, and
30 Class I renewable energy programs that provide environmental
31 benefits above and beyond those provided by standard offer or
32 similar programs in effect as of the effective date of P.L.1999, c.23
33 (C.48:3-49 et al.); provided that the funding for such programs be
34 no less than 50 percent of the total Statewide amount being
35 collected in electric and gas public utility rates for demand side
36 management programs on the effective date of P.L.1999, c.23
37 (C.48:3-49 et al.) for an initial period of four years from the
38 issuance of the first comprehensive resource analysis following the
39 effective date of P.L.1999, c.23 (C.48:3-49 et al.), and provided
40 that 25 percent of this amount shall be used to provide funding for
41 Class I renewable energy projects in the State. In each of the
42 following fifth through eighth years, the Statewide funding for such
43 programs shall be no less than 50 percent of the total Statewide
44 amount being collected in electric and gas public utility rates for
45 demand side management programs on the effective date of
46 P.L.1999, c.23 (C.48:3-49 et al.), except that as additional funds are
47 made available as a result of the expiration of past standard offer or
48 similar commitments, the minimum amount of funding for such

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1 programs shall increase by an additional amount equal to 50 percent
2 of the additional funds made available, until the minimum amount
3 of funding dedicated to such programs reaches \$140,000,000 total.
4 After the eighth year the board shall make a determination as to the
5 appropriate level of funding for these programs. **【Such】** The
6 demand side management programs shall include a program to
7 provide financial incentives for the installation of Class I renewable
8 energy projects in the State, and the board, in consultation with the
9 Department of Environmental Protection, shall determine the level
10 and total amount of such incentives as well as the renewable
11 technologies eligible for such incentives which shall include, at a
12 minimum, photovoltaic, wind, and fuel cells. The board shall
13 simultaneously determine, as a result of the comprehensive resource
14 analysis, the programs to be funded by the societal benefits charge,
15 the level of cost recovery and performance incentives for old and
16 new programs and whether the recovery of demand side
17 management programs' costs currently approved by the board may
18 be reduced or extended over a longer period of time. The board
19 shall make these determinations taking into consideration existing
20 market barriers and environmental benefits, with the objective of
21 transforming markets, capturing lost opportunities, making energy
22 services more affordable for low income customers and eliminating
23 subsidies for programs that can be delivered in the marketplace
24 without electric public utility and gas public utility customer
25 funding;

26 (4) Manufactured gas plant remediation costs, which shall be
27 determined initially in a manner consistent with mechanisms in the
28 remediation adjustment clauses for the electric public utility and gas
29 public utility adopted by the board; **【and】**

30 (5) The cost, of consumer education, as determined by the
31 board, which shall be in an amount that, together with the consumer
32 education surcharge imposed on electric power supplier license fees
33 pursuant to subsection h. of section 29 of P.L.1999, c.23 (C.48:3-
34 78) and the consumer education surcharge imposed on gas supplier
35 license fees pursuant to subsection g. of section 30 of P.L.1999,
36 c.23 (C.48:3-79), shall be sufficient to fund the consumer education
37 program established pursuant to section 36 of P.L.1999, c.23
38 (C.48:3-85); and

39 (6) The costs of the "Business Accelerator and Incubator
40 Network Grant Program," of an amount up to \$1,000,000, as
41 determined to be appropriate by the New Jersey Economic
42 Development Authority, for transfer to the authority for the
43 purposes established in section 2 of P.L. , c. (C.) (pending
44 before the Legislature as this bill).

45 b. There is established in the Board of Public Utilities a
46 nonlapsing fund to be known as the "Universal Service Fund." The
47 board shall determine: the level of funding and the appropriate
48 administration of the fund; the purposes and programs to be funded

1 with monies from the fund; which social programs shall be provided
2 by an electric public utility as part of the provision of its regulated
3 services which provide a public benefit; whether the funds
4 appropriated to fund the "Lifeline Credit Program" established
5 pursuant to P.L.1979, c.197 (C.48:2-29.15 et seq.), the "Tenants'
6 Lifeline Assistance Program" established pursuant to P.L.1981,
7 c.210 [(C.48:2-29.31 et seq.)] (C.48:2-29.30 et seq.), the funds
8 received pursuant to the Low Income Home Energy Assistance
9 Program established pursuant to 42 U.S.C. s.8621 et seq., and funds
10 collected by electric and natural gas utilities, as authorized by the
11 board, to offset uncollectible electricity and [natural] gas public
12 bills should be deposited in the fund; and whether new charges
13 should be imposed to fund new or expanded social programs.
14 (cf: P.L.2019, c.362, s.13)

15
16 7. This act shall take effect immediately and shall expire six
17 years thereafter.

20 STATEMENT

21
22 This bill directs the New Jersey Economic Development
23 Authority (authority) to establish and administer the "Business
24 Accelerator and Incubator Network Grant Program" (program) for
25 the purpose of awarding grants to an individual or network of
26 business accelerators or incubators that provide support to incubator
27 businesses that are located within a business accelerator or
28 incubator in this State. Grants may be made to a business
29 accelerator or incubator in an amount as determined by the
30 authority. Grant funds may be applied to: 1) any aspect of the
31 business accelerator or incubator that provides support to incubator
32 businesses in the business accelerator or incubator as determined by
33 the authority; or 2) any aspect of an incubator business operating
34 within the business accelerator or incubator.

35 The bill requires that, in order to be eligible for a grant, a
36 business accelerator or incubator, at the time of application, is to
37 provide proof that it is a business accelerator or incubator providing
38 support to an incubator business that is in one of the following
39 fields: 1) clean energy or environmental technology; 2) life
40 sciences, biotechnology, or medical device technology; 3) advanced
41 materials, engineering, or manufacturing; 4) supply chain,
42 transportation, and logistics; 5) big data, advanced computing, and
43 digital technology; 6) defense and homeland security; or 7) food
44 and agriculture.

45 A business accelerator or incubator seeking to participate in the
46 program is to submit an application in a form and manner as the
47 authority requires and include information the authority determines
48 is necessary to administer the program. The authority is to review

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1 and may approve an application for the grant program. The
2 authority is to issue payment of a grant pursuant to a grant
3 agreement as the authority may determine and subject the approval
4 of the grant agreement to the submission of proof by an approved
5 applicant of the expenditures contributing to the success of an
6 incubator business assisted by the business accelerator or incubator.
7 A grantee that fails to comply with a grant agreement made as a
8 condition of a grant award is to repay any grant amount received
9 and, if so determined by the authority, is to pay a penalty not in
10 excess of 10 percent of the grant amount.

11 The authority is to establish and maintain the program with the
12 following sources of funds: 1) societal benefits charge revenues
13 collected by the Board of Public Utilities that the authority
14 determines are necessary in response to the demand for the
15 program, up to \$1,000,000; 2) funds as may be available to the
16 authority from other business development programs administered
17 by the authority or other State agencies or authorities, and which the
18 authority determines to be necessary in light of the volume of
19 applications from business accelerator or incubators and incubator
20 businesses for grants under the grant program as necessary to
21 implement the bill; and 3) other monies as may be made available to
22 the authority from public or private sources.

23 The bill requires the authority to prepare an annual report on the
24 program, deliver the report to the Governor and the Legislature, and
25 make the report available on the authority's website. The report is
26 to include the number of program applicants, the number and names
27 of business accelerator or incubators and incubator businesses
28 approved for the program, the types of incubator businesses located
29 within business accelerator or incubators in the program, the total
30 amount of grants distributed, the amount received per business
31 accelerator or incubator and incubator business, and any other
32 information as the authority determines is necessary to evaluate the
33 progress of the grant program.

34 The program is to expire six years after its establishment upon
35 the effective date of the bill.